



CHHATTISGARH STATE POWER DISTRIBUTION COMPANY LIMITED

(A Government of Chhattisgarh undertaking)

Regd. Office:-Vidyut Sewa Bhawan, Dangania, Raipur- 492013

CIN: L40108CT2003SGC015822, Email ID: mddiscom@cspc.co.in

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BOARD'S REPORT

To,
The Members of
M/s Chhattisgarh State Power Distribution Company Ltd.
Raipur (C.G.)

Your Directors have pleasure in presenting the 16th Annual Report of the Company for the financial year ended 31st March, 2019.

1) CONSTITUTION OF THE COMPANY:

Your Company was incorporated on 19th May, 2003 as a Public Limited Company vide Certificate of Incorporation No. U40108CT2003PLC15822 issued by the Registrar of Companies, M.P. & C.G. In pursuance to Chhattisgarh State Electricity Board Transfer Scheme Rules, 2010, the entire shareholding of the Company is held by M/s Chhattisgarh State Power Holding Company Limited. Accordingly, your Company is a Wholly Owned Subsidiary (WOS) Company of M/s Chhattisgarh State Power Holding Company Limited (CSPHCL). Further, as per the above Transfer Scheme Rules, the entire shareholding of M/s Chhattisgarh State Power Holding Company Limited is held by the Government of Chhattisgarh. Accordingly, your Company is a Government Company as defined under section 2 (45) of the Companies Act, 2013.

2) CAPITAL STRUCTURE:

The authorized share capital of the Company stood at Rs. 3,300 Crore divided into 330 Crore equity shares of Rs.10/- each as on 31st March, 2019. Further, the paid up share capital at the end of the financial year under review stood at Rs. 2263.10 Crore divided into 226.31 Crore equity shares of Rs.10/- each.

3) ISSUANCE OF NON-CONVERTIBLE DEBENTURES ON PRIVATE PLACEMENT BASIS:

The Company has issued/allotted 2575 (Nos.) & 2425 (Nos.) State Government Guaranteed, Unsecured, Redeemable, Non-Convertible Debentures of Rs. 10,00,000/- each to different allottees on 27th March, 2015 & 3rd February, 2016 respectively. The above debentures are listed on the National Stock Exchange.

4) FINANCIAL RESULTS:

(Rs. in Crore)

PARTICULARS	F.Y. 2018-19	F.Y. 2017-18
Revenue from Operations	15816.07	14372.55
Other Income	398.56	434.24
Profit/(Loss) before depreciation, exceptional & extraordinary items & taxation	259.73	84.74
Less: Depreciation & Amortization Expenses	335.77	267.28
Profit / (Loss) before exceptional & extraordinary items & taxation	(76.04)	(182.54)
Add : Exceptional & Extraordinary items	33.77	(96.60)
Profit / (Loss) before tax	(42.27)	(279.14)
Less: Tax expenses	0.00	0.00
Profit/(Loss) after taxation	(42.27)	(279.14)
Other Comprehensive Income	(97.47)	151.70
Total Comprehensive Income	(139.74)	(127.44)

5) REVIEW OF PERFORMANCE:

During the financial year 2018-19, the Company has earned Revenue from Operations amounting to Rs. 15816.07 crore as compared to Rs. 14372.55 crore during the previous financial year. The Company is a Public Utility and is functioning under the regulatory regime. The tariff is determined by the CSERC taking into consideration various factors. The net loss of the Company, as accounts prepared as per IND AS, was Rs. 139.74 crore after adjustment of Other Comprehensive Income during the financial year under review as compared to net loss of Rs. 127.44 crore during the previous financial year.

6) CHANGE IN THE NATURE OF THE BUSINESS OF THE COMPANY:

During the financial year under review, there was no change in the nature of the business of the Company.

7) OPERATIONAL PERFORMANCE:

During the period from 01.04.2018 to 31.03.2019, 8,425 KM Sub-transmission Lines and 10,861 KM Low Tension (Distribution) Lines were constructed. Including the above, the total length of Sub-transmission Lines and Low Tension (Distribution) Lines stood at 1,33,787 KM and 1,90,399 KM respectively at the end

of the financial year. During the period under review, 143 Nos. new 33/11 KV S/s, 65 no. additional power X-mer, 130 No. Aug of Power X-mer, 17,669 Nos. new 11/0.4 KV Distribution Transformers and 1145 No. Augmentation of 11/0.4 KV X-mer were established, as a result of which, the capacity was increased by 1222 MVA. As on 31.03.2019, there were 1099 Nos. 33/11 KV and 1,67,949 Nos. 11/0.4 KV Sub-stations with total capacity of 18,738 MVA.

The details of work done during the period under review for up-gradation of Sub-transmission and Distribution System are as under:

Sr. No.	Particulars	Unit	F.Y. 2018-19
1.	33 KV Lines	KM	1,963
2.	11 KV Lines	KM	6,462
3.	Low Tension Lines (400-230 Volts)	KM	10,861
4.	33/11 KV Sub-stations installed	Nos.	143
	Capacity	MVA	483.75
5.	Installation of Additional Transformer in existing 33/11 KV Sub-station	Nos.	65
	Capacity	MVA	151.40
6.	Increase in capacity of Transformer of existing 33/11 KV Sub-stations	Nos.	130
	Capacity	MVA	156.15
7.	11/0.4 KV Sub-station installed	Nos.	17,669
	Capacity	MVA	382.01
8.	Increase in capacity of 11/0.4 KV Transformers	Nos.	1145
	Capacity	MVA	49.23

◆ **Normal Development Work:**

During the period under review, the Company has done the following work under normal Development (Obligatory) Projects for Sub-transmission and Distribution system:

Sr. No.	Particulars	Unit	Achievement
1.	33 KV Lines Construction	KM	5
2.	11 KV Lines Construction	KM	108
3.	Distribution Lines for Services	KM	180

	(For New Connections)		+ 11 (Conversion)
4.	New Distribution Transformers	Nos.	344
5.	Increase in Capacity of Distribution Transformers	Nos.	171
	Capacity	MVA	10.10
6.	Connection provided: Single Phase	Nos.	73,292
	Three Phase	Nos.	20,299
	High Tension Connection	Nos.	180

◆ **RURAL ELECTRIFICATION (As on 31.03.2019)**

There are 19567 inhabited villages in Chhattisgarh State as per census 2011, out of which 18487 villages were electrified as on 30/04/2015 and 1080 villages remained un-electrified. Form these balance 1080 villages, 1047 villages were electrified until 31/03/2018 and 33 villages remain for electrification. There 33 villages have also been electrified latest by 11/04/2018 and 100% village electifiacation target have been achieved.

- Rural Electrifiacation corporation (REC) Ltd. is the Nodal Agency for the scheme.
- Under funding pattern, 90% capital subsidy would be provided towards overall cost of the project by REC excluding the amount of state/local taxes and 10% would be contributed by the State through own resources/loan.

◆ **RGVY IN CHHATTISGARH**

- 03 DPRs under X plan RGVY (Presently known as DDUGJY-RE), 13 DPRs under XI Plan RGVY, 02 DPRs under XI Plan, Phase-II and 04 DPRs under XII Plan RGVY have been sanctioned. Five year plan wise status of above schemes upto 31.03.2019 is as under :-

Particulars	10 th Plan	11 th Plan		12 th Plan
		11 th Plan	11 th Plan Ph-II	
No. of Schemes	3	13	2	4
Schemes Completed	3	12	1	4
Scheme under Progress	0	1	1	0
Closures	3	11	1	0

submitted					
Closures yet to be submitted	0	2	1	4	
Closures approved	3	11	1	0	
Final GRANT released by REC	3	11	1	0	
Districts Covered	1	Durg	Durg Ph-II	Koriya	Dhamtari
	2	Kawardha	Kawardha	Jashpur	Janjgir-Champa
	3	Janjgir-Champa	Bastar		Korba
	4		Bilaspur		Mahasamund
	5		Dnatewada		
	6		Dhamtari		
	7		Kanker		
	8		Korba		
	9		Mahasamund		
	10		Raigarh		
	11		Raipur		
	12		Rajnandgaon		
	13		Sarguja		

◆ **ELECTRIFICATION OF IRRIGATION PUMPS**

During the period from 01.04.2018 to 31.03.2019, the line extension work has been completed for 22,224 pumps and 4,26,894 pumps have been energized upto 31.03.2019.

◆ **B.P.L CONNECTION**

As per the direction of State Government, the B.P.L. Connection is made available to people who are below poverty line. During the period from 01.04.2018 to 31.03.2019, total 3,93,754 connections have been provided to the above category families. As a result, there are 19,92,984 B.P.L. Connections to the above category families as on 31.03.2019.

◆ **STN SCHEME**

Energy Conservation has also been achieved through strengthening of sub-transmission line under the STN Scheme for which the provision of Rs. 95 Crore has been made by CSERC for the year 2018-19 and expenditure of Rs. 183.47 Crores has been incurred including spill over work during the reporting year 2018-19.

◆ **DDUGJY**

- MoP; GoI vide office memorandum No.-44/44/2014-RE dated 03.12.14 has conveyed regarding launch of DeenDayal Gram JyotiYojna (DDUGJY) for rural areas with following components: -
 - (a) Separation of agriculture and non-agriculture feeders facilitating judicial rostering of supply to agricultural and non-agricultural consumers in RURAL AREAS.
 - (b) Strengthening and augmentation of sub-transmission and distribution infrastructure in RURAL AREAS including metering of distribution transformers/ feeders/ consumers.
 - (c) Rural electrification.
- Rural Electrification Corporation (REC) Ltd. is the Nodal Agency for DDUGJY.
- As per funding mechanism for execution of work, 60% capital subsidy would be provided towards overall cost of the project by MoP through REC excluding the amount of State/ local taxes. 10% amount of project shall be contributed by the State and balance 30% by Utility through own resources/ loan.
- For Chhattisgarh State, REC Ltd. conveyed approval of DPR's of all 27 districts vide their letter No.-94 dated 14.08.2015 for Rs. 1253.98 Crore . consequent upon freezing of BoQ, an amount of Rs. 1240.01 Crore is expected to be incurred for which SLSC approval has also been obtained.
- Work in 23 districts have been completed and work of only Feeder Segregation is in progress in Bemetara, Raigarh, Bilaspur and Mungeli.
- Status of completion of DDUGJY project as on 31.03.2019 is under:-

DDUGJY- STATE WISE PHYSICAL /FINANCIAL PROGRESS		
STATE : Chhattisgarh	UTILITY : CSPDCL	
Financial Progress as on 31.03.2019		
(a) Sanction project cost	1263.46	Crore (incl PMA @ 0.5% i.e. 6.28)
(b) Amount received as GOI Grant	598.43	Crore
(c) Amount received as state contribution	125.00	Crore
(d) Amount received as Loan from	191.85	Crore

fls/other		
(f) Total amount utilized / Spent	886.82	Crore

Physical Progress March, 2019		As on 31 st		
Sr. No	Milestone Name	Unit	Awarded Quantity	Cumulative Progress
1	33/11 kv New substation	No.	80	64
		MVA	274.20	218.25
2	Augmentation of 33/11 kvsubstaion	No.	101	79
		MVA	217.25	165.75
3	Distribution Transformer (DTR)	No.	14553	6436
		MVA	445.83	187.14
4	Feeder segregation(Excluding 11 kv)	Ckm	5846.75	1146.59
5	L.T. Line	Ckm	9555.22	7461.53
6	11 kv line (excluding feeder segregation)	Ckm	7457.20	3824.53
7	33/ 66 kv line	Ckm	1304.00	594.98
8	Energy meter-Consumer	No.	40366	4534
9	Energy meter-DTR	No.	807	0
10	Energy meter-11 KV Feeder	No.	3382	2759
11	Intensive Electrification of village	No.	2872	2563
12	SAGY Village (*)	No.	0	0
13	Connection to BPL Households	No.	79008	79455

◆ SAUBHAGYA

The Finalization of un-electrified house-holds proposed to be covered under SAUBHAGYA scheme is as below:

- 478388 UE house-holds has been proposed through grid at rural areas.
- 299316 house-holds covered under PMAGY proposed through grid at rural areas.
- 15068 UE house-holds proposed through grid at urban areas.
- Total 7,92,772 habitation electrification was covered under SAUBHAGYA scheme.
- As on 31.03.2019, connections of 6,65,756 House-holds have achieved and scheme closed on this achievement.

Total Number of house-holds covered for electrification under the scheme including House-holds under construction in PMAY - G.	7,92,772
House-holds electrified upto 31.03.2019.	6,65,756

8) FUTURE PROSPECTS & PLANS:

HVDS Scheme:-The High Voltage Distribution System scheme, as the name suggests, has the great scope of T&D loss reduction by converting the existing LT network into HT network. Efforts are being made to increase HT/LT ratio in terms of both line length & consumption accompanied by the respective network. The funds for this scheme are being made available through Company own sources and financing from Rural Electrification Corporation Limited (REC). REC has sanctioned HVDS scheme for feeders separation in Saraipali. Akaltara, Kawardha, Mahasamund & Sakti Division. In Saraipali division, out of 58 feeders, 58 No. feeders have been completed. Under Akaltara, Division 29 No. feeders are to be converted into HVDS system out of which work of all 29 feeders has been completed, under (O&M) Dn. Kawardha, out of 77 no feeders, work in 43 no feeders has been completed, under (O&M) Dn. Mahasamund, out of 95 no feeder, work in 80 feeder has been completed.

R-APDRP PART B:- To reduce line losses in 21 towns (for which 19 DPR Sanction) having population more than 30000 as scheme worth Rs. 710.24 Cr. has been sanctioned for new 33,11 KV for line extension work, cable lying work, new Distribution transformers, shifting of meters outside consumer premises etc. Work of 19 town got completed.

IPDS Ministry of Power, GoI vide its office memorandum No. 26/1/2014 R-APDRP Dtd. 3/12/2014 has launched Integrated Power Development Scheme (IPDS) in India. The scheme covers strengthening of sub-transmission and distribution network in urban areas. Total 182 towns of 15 circles of Chhattisgarh are covered under the scheme with total approved cost of Rs. 514.52 Crs. The main works involved are:-

S. No.	Particulars	Unit	Provision	Work Completed
1	33/11 KV Sub stations	No	32	32
2	33 KV line	KM	270	225
3	11 KV line	KM	672	683.78
4	LT lines	KM	147	110
5	Replacement LT line AB Cable	KM	2996	2825
6	Distribution Transformers	No	1598	1560

9) IMPROVEMENT INITIATIVES:

Various initiatives have been taken by the Company to upgrade the system, to improve the billing and collection efficiency and to provide better services to the consumers. Few points in brief are as under:-

- To improve the billing efficiency and better performance of reading and to avoid manual intervention, Spot Billing and further Photo Spot Billing has been implemented. Spot Billing has been implemented for 18.28 lacs consumers and Photo Spot Billing has been implemented as pilot project in Champa-Janjgir Circle.
- Automatic meter reading system has been implemented in all 2949 HT connections, 8669 LT connections having connected load above 50HP and 14548 LT connections having connected load between 15HP to 50HP for precise reading and accounting of Energy consumed by major consumers approximately covering 70% of the total Revenue of the company.
- CSPDCL has completed 100% feeder metering to monitor the losses at all voltages level and for proper energy accounting at all 650 Nos 33 KV feeder and 4576 Nos 11 KV feeder. In addition this 2211 Nos AMR has been install at all 11 KV feeders in urban as well as rural area. 70649 No. DTs have been metered for DT wise monitoring of T&D losses.
- The process of replacement of Stopped/Defective meters have been implemented in a regular manner. 145191 No. of Stopped/Defective meters have been replaced in the year 2018-19.
- Different modes of digital payment have been provided as Net Banking, Debit Card, Credit Card, RTGS, NEFT, UPI, Wallets, Pay-points centres and common service centres. 117 Nos. of ATP machines have been installed at different location in the State where the consumer can pay the bill from 8:00 AM to 8:00 PM round the week in addition to the manual counters, towards improvement of collection efficiency & consumer services.
- 21 No. special courts are functioning under section 153 of Electricity Act., 2003 at District Head Quarters for speedy trial of offences referred in section 135 to 140 & section 150 of Act, 2003.
- Consumer grievance redressal forum has been setup in Raipur, Bilaspur & Jagdalpur at Regional Head Quarters. Raipur forum arranges weekly camps at Durg&Rajnandgaon. Similarly, Bilaspur forum arranges fortnightly camps at Raigarh & Ambikapur towards quick disposal of consumer grievances by providing close approach to consumers.

- A service of Automated Central Call Centre with group of Call Centres in 22 towns has been created to facilitate 24x7 registration of technical and commercial complaints and for resolution in minimum time.
- Continuous improvement in operational efficiency has been achieved through adding further functionalities in various modules of SAP EFP : Materials Management, Financial Accounting and Controlling, Human Resource Management, Billing (IS-U), Customer Relationship Management (CRM), Suppliers Relationship Management (e-Bidding) and Maintenance Management System. This has resulted in even better consumers services, procurement & inventory management, financial progress monitoring and in providing module specific information at various levels (Distribution Centre, Zone/Sub Division, Division, circle, Region & Head Office)
- “Bijlee Bill Half Yojna” (up to 400 units) has been implemented in SAP form the month March 2019 as per guidelines of Government of Chhattisgarh.
- Further improvements in the customer services through the Centralised Call Center have been achieved for the electricity consumers of entire state. Consumers can register any type of complaint at this center related to supply of electricity, Billing etc. And can query about any CSPDCL service or can enquire about the status of their complaints.
- CSPDCL Website “www.cspdcl.co.in” has been enriched further with additional Online Consumer Web Self Service & Online New Service Connection (NSC). The other customer care services like Online Bill payment, 24 months Billing information, 24 months payment information, Online Complaint Registration, Online Application for load change, Name change, Tariff change are continued as earlier.
- CSPDCL has further increased the number of Bill payment Kiosk ATP Machines from 117 to 125 for convenience of consumers. The other payment services to its electricity consumers like Online Bill Payment through Net Banking, Credit Card, Debit Card, BHIM UPI, Bharat Biil payment System, pay point Centres, Common Service center are continued as earlier.
- Operational efficiency has been enhanced in meter Data Acquisition System (MDAS), implemented in 22 major towns of the state under R-APDRP Scheme.

10) **DIVIDEND**

Keeping in view loss suffered by the Company during the financial year under review, your Directors do not recommend any dividend for the year under review.

11) **TRANSFER TO RESERVES:**

During the year under review, the Company has not transferred any amount to General Reserve.

12) PUBLIC DEPOSIT:

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Further, the Company has not received any unsecured loan from directors of the Company & their relatives within the meaning of Section 73 of the Companies Act, 2013 and Clause 2(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014.

13) DIRECTORS & KEY MANAGERIAL PERSONNEL:

As per provisions of the Articles of Association of the Company, all the Directors hold their office at the pleasure of the Government of Chhattisgarh. As per various orders issued from time to time by the Energy Department, Govt. of Chhattisgarh, the following changes have taken place in the constitution of the Board of Directors of the Company since the date of previous Directors' Report for the F.Y. 2017-18:-

SL. NO.	PARTICULARS	EFFECTIVE DATE
1.	Cessation of Shri Subrat Sahoo, IAS from the Chairman & Directorship of the Company.	01.12.2020
2.	Appointment of Shri Ankit Anand as Chairman & Nominee Director of the Company.	01.12.2020
3.	Cessation of Shri Amitabh Jain, from the Directorship of the Company.	07.01.2021
4.	Appointment of Smt. Alarmelman Gai Deekaram as Nominee Director of the Company.	07.01.2021

Accordingly, the following persons constitute the Board of Directors of the Company as on date:

SL. NO.	NAME OF DIRECTOR	DESIGNATION
1.	Shri Ankit Anand, I.A.S.	Chairman & Nominee Director
2.	Smt. Alarmelmangai D., IAS	Nominee Director
3.	Shri Harsh Gautam	Managing Director
4.	Smt. Ujjwala Baghel	Nominee Director
5.	Shri N.K. Bizora	Nominee Director

Further, the Company is having the following Key Managerial Personnel, in compliance of the provisions of Section 203 of the Companies Act, 2013: -

SL. NO.	NAME OF KEY MANAGERIAL PERSONNEL	DESIGNATION
1.	Shri Harsh Gautam	Managing Director
2.	Shri Y. B. Jain	Chief Financial Offer
3.	Shri Arun Mishra	Company Secretary

There was requirement of appointment of one-third of the total number of Directors as Independent Directors on the Board of Directors of the Company during the Financial Year under review in pursuance of the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations (Bonds issued by CSPDCL are listed on stock exchanges). Further, there was requirement of Independent Directors on Audit Committee and Nomination & Remuneration Committee.

Being a Government of Chhattisgarh undertaking, as per the Articles of Association of the Company, all the Directors are to be appointed by the Government of Chhattisgarh. Keeping in view the above, a request was made to the Govt. of Chhattisgarh for appointment of Independent Directors on the Board of Directors of the Company. However, the Govt. of C.G. has not yet appointed Independent Directors on the Board of Directors of the Company.

It is to mention that due to subsequent amendment in the the Companies Act and SEBI (LODR) Regulations, the provisions related to appointment of independent directors, constitution of Audit Committee and Nomination & Remuneration Committee are not applicable on your Company w.e.f. 1st April, 2021

14) DECLARATION BY INDEPENDENT DIRECTOR:

Since, the Govt. of C.G. had not appointed Independent Directors on the Board of Directors of the Comapny, the question of obtaining of declaration from the Independent Directors does not arise during the financial year under review. Further, as stated in point no. 13 of the Board's Report, the provisions for appointment of independent directors are not applicable on your Company w.e.f. 1st April, 2021.

15) DIRECTORS' RESPONSIBILITY STATEMENT:

As required under section 134 (5) of the Companies Act, 2013, your Directors confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit & loss of the Company for that period;
- (iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors had prepared the annual accounts on a going concern basis; and
- (v) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16) NUMBER OF MEETINGS OF THE BOARD:

8 (Eight) Board Meetings were held during the Financial Year ended 31st March, 2019.

17) AUDIT COMMITTEE :

The Board of Directors of the Company in its meeting held on 30.11.2012 has constituted Audit Committee consisting of the following members as per the provisions of Section 177 of the Companies Act, 2013:

SL. NO.	MEMBER
1)	Managing Director of the Company
2)	Principal Secretary / Secretary, Energy, GoCG
3)	Principal Secretary/Secretary, Finance, GoCG

As on 31st March, 2019, the Audit Committee of the Company was comprising the following directors:

SL. NO.	NAME OF DIRECTOR	DESIGNATION
1.	Shri Amitabh Jain, I.A.S.	Non-Executive Director
2.	Shri Gaurav Dwivedi, I.A.S.	Non-Executive Director
3.	Shri Mohammed Qaiser Abdulhaque, I.A.S.	Executive Director

There was requirement of Independent Directors in the Audit Committee as per the provisions of section 177 of the Companies Act, 2013. Since no Independent Directors were appointed by the Govt. of C.G., the Company could not comply with the above provision of the Companies Act, 2013 during the Financial Year 2018-2019.

Further, as stated in point no. 13 of the Board's Report, the provision for constitution of Audit Committee is not applicable on your Company w.e.f. 1st April, 2021. Keeping in view the above provision, the Board of Directors of the Company, in its meeting held on 17th July, 2021, dismantled the Audit Committee of the Company.

18) NOMINATION & REMUNERATION COMMITTEE:

There was requirement of Independent Directors in the Nomination & Remuneration Committee as per the provisions of section 178 of the Companies Act, 2013. Since no Independent Directors were appointed by the Govt. of C.G., the Company could not comply with the above provision of the Companies Act, 2013 during the Financial Year 2018-2019.

Further, as stated in point no. 13 of the Board's Report, the provision for constitution of Nomination & Remuneration Committee is not applicable on your Company w.e.f. 1st April, 2021.

19) CORPORATE SOCIAL RESPONSIBILITY (CSR) :

The Company was required to constitute a CSR Committee as per section 135 of the Companies Act, 2013 with at least one Independent Director. Since no Independent Directors were appointed by the Govt. of C.G., the Company could not comply with the above provision of the Companies Act, 2013 during the Financial Year 2018-2019.

The Company was having average net loss during the immediately preceding three financial years i.e. 2017-18, 2016-17 and 2015-16. As a result, the Company was not required to spend any amount on CSR activity during the financial year 2018-19. The Report on CSR Activities for the financial year 2018-19 in compliance with Section 135 of the Companies Act, 2013 is annexed herewith as an **Annexure-'A'**.

Further, as per the newly inserted provisions of Section 135(9) of the Companies Act, 2013, where the amount to be spent by a company under Section 135(5) does not exceed fifty lakh rupees, the requirement for constitution of the Corporate Social Responsibility Committee shall not be applicable w.e.f. 22.01.2021 and the functions of CSR Committee provided under the Companies Act 2013 shall be discharged by the Board of Directors of Company. Since, the Company was having average net loss during the immediately preceding three financial years.

Accordingly, the Company was not required to constitute a CSR Committee as per section 135 of the Companies Act, 2013.

20) RISK MANAGEMENT:

The management of the Company regularly reviews the risks, challenges and threats being faced by the Company. At present, the Company has not identified any element of risk which may threaten the existence of the Company.

21) STATUTORY AUDITOR:

M/s Begani & Begani, Chartered Accountants, Raipur have been appointed as Statutory Auditor of the Company by the Comptroller and Auditor-General of India (CAG) for the financial year 2018-19.

22) REPORT/COMMENTS OF THE AUDITORS /CAG:

Observations/Comments of the Statutory Auditors along with Management's replies thereto on the Financial Statements of the Company for the financial year 2018-19 are enclosed herewith as **Annexure - "B"**.

Further, the Comments of the Comptroller & Auditor General of India and Management's replies thereto on the Financial Statements of the Company for the financial year 2018-19 are enclosed herewith as **Annexure - "C"**.

23) REPORTING OF FRAUD:

The Statutory Auditor of the company has not reported any fraud as specified under Section 143(12) of the Companies Act, 2013. Further the AG auditors during their conduct of supplementary audit has reported misappropriation/embezzlement by employees of the company of cheques collected from consumer against monthly electricity bill amounting to Rs.18.27 Lakh. On the basis of information received from division office, provision has been made in the accounts of F.Y. 2018-19.

24) COST AUDITORS:

The Board of Directors of your Company, in its meeting held on 18th October, 2019, has appointed M/s RM Bansal & Co., Cost & Management Accountants as the Cost Auditor for audit of the Cost Accounting Records of your Company for the financial year 2018-19 in pursuance to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Record and Audit) Amendment Rules, 2014.

The Company has received Cost Audit Report from the Cost Auditors for the financial year 2015-16, 2016-17, 2017-18 & 2018-19 and filed the same with the Central Government on 26.12.2019, 26.12.2019, 29.05.2020 & 03.07.2020 respectively.

25) MAINTENANCE OF COST RECORDS:

Your Company is maintaining Cost Records of the product of the Company as prescribed by the Central Government under provision of Section 148(1) of the Companies Act, 2013.

26) INTERNAL AUDITOR:

As per the provisions of Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, the Corporation is required to appoint Internal Auditor. The Board of Directors of the Company, in its meeting held on 27th July, 2019, has appointed the following firms as Internal Auditors for the financial year 2017-18 & 2018-19:

S.No.	Name of Internal Auditor	Region
1.	M/s Prem Chand & Company	Raipur I & Jagdalpur
2.	M/s Ajay Sindhwani & Company	Raipur Rural & Raigarh
3.	M/s Minesh Anand & Associates	Durg & Rajnandgaon
4.	M/s Pruthi & Company	Bilaspur & Ambikapur

27) SECRETARIAL AUDIT:

Your Company has appointed M/s S.G. Kankani & Associates, Company Secretaries, as Secretarial Auditor of the Company for the financial year 2018-19 for conducting Secretarial Audit in pursuance of the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report for the F.Y. 2018-19 furnished by M/s S.G. Kankani & Associates, Company Secretaries, Secretarial Auditor of the Company is enclosed herewith as **Annexure - "D"**.

Further, the observations of the Secretarial Auditor along with Management's replies thereto for the financial year 2018-19 are enclosed herewith as **Annexure - "E"**.

28) COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS:

The company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board meetings and Annual General Meetings except that there was delay in holding the Annual General Meeting for the F.Y. 2017-18.

29) ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

Adequate internal financial controls were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements.

30) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not made loans/investments/given guarantees/provided securities to other bodies corporate or persons covered under the provisions of section 186 of the Companies Act, 2013.

31) SUBSIDIARIES, JOINT VENTURES & ASSOCIATE COMPANIES:

The Company is not having any subsidiary, joint venture or associate company.

32) TRANSACTIONS WITH RELATED PARTIES:

The Company has not entered into any transaction falling within the preview of section 188 of the Companies Act, 2013.

33) MATERIAL CHANGES AND COMMITMENTS:

No material changes occurred subsequent to the close of the financial year of the Company to which the Annual Report relates.

34) SIGNIFICANT AND MATERIAL ORDERS:

During the year under review, no significant and material orders have been passed by the regulators or courts or tribunals impacting the going concern status of the Company.

35) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

a) Conservation of energy

(i)	The steps taken or impact on conservation of energy	➤ The T&D and AT&C losses are as below:			
			YEAR	DISTRIBUTION LOSS	AT&C LOSS
			2015-16	21.52	21.79
			2016-17	18.56	19.34
			2017-18	18.08	18.83
			2018-19	16.06	19.84
		➤ Laying of LT-AB cable in theft prone areas: To prevent the direct theft through hooking the program to replace the bare conductor by LT-AB cable is in progress.			

		<ul style="list-style-type: none"> ➤ To improve the energy efficiency all the 64634 No. Distribution transformers of energy efficiency level-II has been purchased and installed in the year 2018-19. 8211 No. Distribution transformers of Energy Efficiency level-II has also been purchased for installation under DDUGJY Scheme. ➤ Segregation of agriculture pump feeders has been initiated to reduce the T&D losses and to regulate the supply hours and to curtail the peak load (Flatten the load curve) due to irrigation pump load. ➤ CSPDCL has been implementing Smart Metering for precise reading without manual intervention. The DPR amounting to Rs 194.66 Cr for four towns Ambikapur, Korba, Raigarh&Rajnandgaon has been sanctioned on 31st Jan'18 under IPDS. Smart Metering in Smart Cities (Raipur and Bilaspur) has been proposed under NSGM. ➤ PAT Cycle-II has been implemented for conservation of energy in CSPDCL. The mandatory compliances has been completed and reported to BEE in due time. ➤ Vigilance and O&M checking: To reduce the commercial loss, CSPDCL has created special vigilance checking cell in 15 circles & 01 HT checking cell to curb theft and other irregularities (Mal practice). Details of category wise checking of connection during 2018-19 are tabulated here under:- <table border="1" data-bbox="448 1541 1291 1944"> <tr> <td>No. of Direct theft detected during the Year</td> <td>3124</td> </tr> <tr> <td>No. of Mal practice cases observed during the Year</td> <td>17973</td> </tr> <tr> <td>Amount billed Rs. in Lacs during the Year</td> <td>4852.61</td> </tr> <tr> <td>No. of FIR lodged/Information given to police during the Year</td> <td>744</td> </tr> <tr> <td>No. of cases putup to special court during the Year</td> <td>201</td> </tr> </table> 	No. of Direct theft detected during the Year	3124	No. of Mal practice cases observed during the Year	17973	Amount billed Rs. in Lacs during the Year	4852.61	No. of FIR lodged/Information given to police during the Year	744	No. of cases putup to special court during the Year	201
No. of Direct theft detected during the Year	3124											
No. of Mal practice cases observed during the Year	17973											
Amount billed Rs. in Lacs during the Year	4852.61											
No. of FIR lodged/Information given to police during the Year	744											
No. of cases putup to special court during the Year	201											
(ii)	the steps	Company has follows the RPO (Renewable Purchase										

taken by the company for utilizing alternate sources of energy	obligation) as per guidelines issued by CSERC time to time. CSPDCL has purchased Renewable Energy during FY 2018-19 against the target decided by CSERC which is tabulated as below:						
	Sl. No	Particular	Obligation as per CSERC Regulation			Achievement	
			Total Consumption	RPO target in %	RPO target in MU	Unit Purchased in MU	Achievement in %
	1.	Solar	22333.08	3.50%	781.66	502.62	2.25%
2.	Non-Solar	7.50%		1674.98	812.84	3.64%	

b) Technology absorption

(i)	the efforts made towards technology absorption	<ul style="list-style-type: none"> • Photo Spot Billing has been initiated for improvement of billing efficiency. • CSPDCL is under implementation of Smart Metering for precise reading without manual intervention.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Nil
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	Nil
	(a) the details of technology imported	---
	(b) the year of import;	---
	(c) whether the technology been fully absorbed	---
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	---

(iv)	the expenditure incurred on Research and Development	Nil
------	--	-----

c) **Foreign exchange earnings and Outgo:** NIL

36) EXTRACT OF ANNUAL RETURN:

As required pursuant to section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in Form MGT-9 as a part of this Annual Report is enclosed herewith as **Annexure - "F"**.

37) DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has formed an internal complaint committee for Head Quarter offices and also issued necessary instructions to all field offices for constitution of internal complaint committees at Regional/Circle/Division/Sub-Division/Zone/DC offices. No case has been registered during the financial year 2018-19 under "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

38) PARTICULARS OF EMPLOYEES :

None of the employees received remuneration during the year in excess of limits prescribed under Section 197 of the Act, read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

39) HUMAN RESOURCES:

Employees are the most precious asset of an organization and favourable environment is necessary to encourage creativity, innovation and performance excellence amongst them. Your company has focused its efforts to enhance the capabilities of employees to develop competent, trained and multi-disciplinary human capital in CSPDCL so as to meet the challenging assignments. Your company strongly believes in achieving organizational excellence through human resources and follows "People First" approach to leverage the potential of its employees to fulfill its business plan.

40) INDUSTRIAL RELATIONS:

For the Financial Year 2018-19 Industrial relations in the CS Power Companies continued to be cordial and harmonious. The matter pertaining to Trade Unions, Industrial Relations, various employees related issues and grievances, Non contributory Insurance, Court Cases and implementation of labour laws, etc were taken up by the department. The overall industrial relations scenario was peaceful governed by harmony and mutual trust.

41) SAFETY, HEALTH & ENVIRONMENT:

- Various guidelines have been issued time to time for carrying the job with safety standards. Installation/testing/ commissioning works have been done by taking measures as per Indian Electricity safety rules. Necessary safety tools have been provided to every Line man / technical staff. Regular safety- drill camps have been organized at each division level. Special training programme have also been organized to safeguard the man & material.
- There are 03 Departmental OPD dispensaries to nurture their employees. In addition to departmental dispensary facility, CSPDCL has tie-up with other Govt. / Private recognized & reputed state/ inter-state specialty hospitals for chronic/ critical medical cases and the employees get reimbursement facility for their hospitalization on the basis of referrals.
- Pleasant environment has been maintained by conducting the different games. Some of the departmental employees have played even at inter-State / National level by the motivation & continuous encouragement and won the national championship trophy. Employees get the reward/honors for their splendid job by the top management at the time of national festivals.

42) VIGILANCE MECHANISM:

The Board of Directors of M/s Chhattisgarh State Power Holding Company Limited, the Holding Company of the Company, has approved the Vigilance Manual in compliance with the provisions of section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014. The same Vigilance Manual has been implemented in all Chhattisgarh State Power Companies including our company.

43) ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude the support received from Central Government, Govt. of Chhattisgarh, Chhattisgarh State Electricity Regulatory Commission, Chhattisgarh State Power Companies, bankers, various Government Authorities, employees, customers, suppliers and other business associates.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE: RAIPUR (C. G.)
DATE: 22.04.2022


(ANKIT ANAND)
CHAIRMAN
DIN: 07415193

ANNEXURE - 'A'

REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2018-19

1. A brief outline of the company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The Company was required to constitute a CSR Committee as per section 135 of the Companies Act, 2013 with at least one Independent Director. Since no Independent Directors were appointed by the Govt. of C.G., the Company could not comply with the above provision of the Companies Act, 2013 during the Financial Year 2018-2019.
2. The composition of the CSR committee	Further, as per the newly inserted provisions of Section 135(9) of the Companies Act, 2013, where the amount to be spent by a company under Section 135(5) does not exceed fifty lakh rupees, the requirement for constitution of the Corporate Social Responsibility Committee shall not be applicable w.e.f. 22.01.2021 and the functions of CSR Committee provided under the Companies Act 2013 shall be discharged by the Board of Directors of Company. Since, the Company was having average net loss during the immediately preceding three financial years. Accordingly, the Company was not required to constitute a CSR Committee as per section 135 of the Companies Act, 2013.
3. Average net profit of the company for last three financial years.	Rs. (225.6683/-)Cr.
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	Nil
5. Details of CSR spent during the financial year	Nil
(a) Total amount to be spent for the financial year	Not Applicable
(b) Amount unspent, if any	Not Applicable
(c) Manner in which the amount spent during the financial year	As per Annexure-A
6. In case of the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.	Not Applicable
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company	Not Applicable

ANNEXURE-A: ANNUAL REPORT ON CSR ACTIVITIES

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR project or activity identified	Sector in which the project is covered	Project or programs (1)Local area or other (2)Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs sub-heads: (1)Direct expenditure on projects or programs (2)Overheads	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing agency

NOT APPLICABLE

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE: RAIPUR (C. G.)
DATE: 22.04.2022



(ANKIT ANAND)
CHAIRMAN
DIN: 07415193

**ANNEXURE - 'B' TO THE BOARD'S REPORT
MANAGEMENT REPLY
TO
STATUTORY AUDITORS COMMENTS THERETO
ON THE FINANCIAL STATEMENTS OF THE COMPANY FOR THE F.Y. 2018-19**

PARTICULAR	MANAGEMENT REPLY
AUDITORS REPORT	
<p>Major comments and observations based on our audits which in our opinion are significant and required provisions in the financial statements in certain cases mentioned herein. The net aggregate impact of non-provision on the loss for the year and/or on the assets/liabilities and also there are cases as stated in para below wherein the quantum of impact though material is unascertainable. The distinguished reasons have been mentioned in our note below:</p>	<p>The auditor's comments on sub paras (a),(b),(c),(d),(e),(f),(g),(h),(i),(j)(k),l,m,n,o &P have been discussed below in detail.</p>
<p>a) Fixed Assets (i) Capitalization of Asset</p> <p>As per our observation and explanation provided by the respective official, assets of the company are being capitalized from the date they are being posted instead of actual date of capitalization as mentioned in capitalization certificate of respective asset, which is not in accordance with IND AS- 16 "Property plant and equipment". As a result of which, record of assets capitalized during the year and depreciation thereon is not presented correctly in the books of accounts.</p> <p>The company has capitalized "CWIP Hydel Works" (Account Code A076470) under the head "Miscellaneous work"(Account Code A070325) amounting to ₹ 62,14,79,591.47 instead of capitalizing respective asset head to which they belong. The company had charged depreciation at the rate of 3.34% p.a. of Well, Boundary wall. Further, "CWIP Hydel Work" accounts having an opening balance of ₹38,09,44,646.03 and addition of ₹18,39,19,926.00 while capitalization of ₹ 62,14,79,591.47 has been done under the head "Miscellaneous Work" which has led to excess capitalization by "CWIP Hydel Works" account of ₹5,66,15,018.00.</p> <p>The CWIP of ₹3,16,231.17 lakhs as on 31st March, 2019 include additions in CWIP which has not been capitalized and needs to be impaired. Management should recognize those additions and account for the impairment loss, if any. However, we are unable to obtain sufficient and appropriate information regarding the same to determine impairment loss as required by Ind AS 36.</p>	<p>The same has been noted and necessary instruction has been issued to field office regarding posting of assets in SAP on the date mentioned in the capitalization certificate of respective assets.</p> <p>The matter has been brought to the notice of EITC and method of rectifying the same is being looked out.</p> <p>These are old estimates many of them pertaining to prior SAP era, process of identifying the same and capitalizing the same being carried by the concern RAO. However, the process is time taking and due to non-availability of readymade information the process is very slow.</p>

management has neither taken any action against recovery of the same nor any provision for bad and doubtful debts have been made, resulting in understatement of expenses.

with NCLT by respective consumers. Further the matter has been referred to the revenue department and on the basis of recommendation by the concern department provision of bad & doubtful debts shall be made in the next forth coming year.

➤ Rs. 3,532.46 crores are outstanding from the debtors from whom no recovery has been made since last two-three years (Major BP No. showing active Status). From the above outstanding debtors, company have security deposit of ₹53.28 Crores on which the company is giving interest to the active customers which leads to revenue leakage as the customers were not paying their outstanding liability but the company is allowing interest on their deposit and also the company has not made any provision for bad and doubtful debts, due to which the balances of trade receivable is over stated to such extent.

The payment of interest on Security Deposit of consumer has been credited to the consumer account as be CSREC regulation. The credit of interest on Security deposit has to be passed on to the consumers account irrespective of whether the consumer has paid his dues or not. Further the interest is not paid to the consumer in cash but is adjusted with the unpaid dues. Thus there is no revenue leakage as such mentioned by the Auditor in his report

❖ Ind AS 109 requires expected credit losses to be measured through a loss allowance for which the company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. The company recognizes lifetime expected loss for all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 months expected credit losses or at an amount equal to the lifetime expected credit losses if credit risk on financial assets has increased significantly since initial recognition. However, the company has not adopted the Fair Value approach as indicated in Ind AS 109 for valuation of Trade Receivables and has not provided any fair value disclosures as required.

The company has already provided for Rs.400.27 crores on account of allowance of Credit Losses. Which accounts to about 4.3% of the total trade receivable, which is much higher then the normative percentage allowed by the Hon'ble Commission.

However, the Company has not adopted the approach as indicated in Ind AS- 109 for valuation of trade receivables.

(iii) Bank Reconciliation Statements:

• During the Course of our Audit we found that most of the Bank accounts maintained by the Company as on 31.03.2019 are not reconciled with balances at banks. There is a huge difference in Bank Balances as shown in our Books & Balances as mentioned in Bank Statements of respective Banks. No proper explanation as to why there are such differences has been provided to us by the management of

The company is in the process of reconciling the balances of banks of the mentioned RAO's. Further the position has improved during the financial year 2018-19 and except some collection banks accounts reconciliation backlogs of all RAO's has been

the Company. Further to this, in Case of Reconciliations provided to us also there is a Difference in Bank Balances as mentioned in our software & Bank Balances taken while reconciling such Bank Accounts. Major Instances of difference in Banks are given below:

(Rs. In Lakh)

GL Code	Bank Name	Account Number	RAO Name	Balance as per Cashbook (A)	Balance as per Passbook	Balance as per Passbook (Reconciled)(B)	Difference (A-B)	Remarks
A100401	State Bank of India	10905974664	Ambikapur	-709.49	0.13	-681.39	-28.10	
A100404	Chhattisgarh Rajya Gramin Bank	77016339137	Ambikapur	-212.27	0.00	-212.30	0.03	
A100410	State Bank of India	10905974675	Ambikapur	1175.72	72.25	30.24	1145.48	
A100435	Union Bank of India	554601010050434	Ambikapur	4.58	5.00	4.09	0.49	
A100401	State Bank of India	10102785160	Bilaspur	6991.17	0.16	6199.31	791.85	
A100	Union	6197010100	Bilaspur	-1493.	1.00	-254.4	-123	

cleared. The contention of the Auditor is also not fair to the extent that there is difference between the Bank Balance & balances as per the books of accounts., as the basic purpose of preparing of bank reconciliation statement is to reconcile the difference between the balance of bank and books of accounts. Further there are circumstances which are beyond the control of the Company due to which there is difference between the bank and books balances for example there are many instance where cheques had been issued to the vendor but the same has not been produced by him to the bank, as a consequence there is difference between the balances of two records.

The major cause of difference between the balances of Bank in software (SAP) records and bank balances taken while preparation of reconciliation statements is due to non-reconciliation of balances at the time of uploading of opening balances in the SAP system at the time of bifurcation of MPEB & CSEB and further bifurcation of CSEB to various Power Companies. As there was no clear cut availability RAO wise data to be uploaded in the system specially bank balances. Further the earlier accounts where prepared after taking various manual entries in excel which were passed at the time of finalization of accounts but all the entries could not be passed in the SAP system due to restrictions of the system.

Further it is to be mentioned that the balances carried forwarded in the books of accounts has been consistently carried forwarded from year to year and in all the previous accounts there is no difference in the closing and opening figures.

403	Bank of India	50112		58		1	9.17	
A100404	Chhattisgarh Rajya Gramin Bank	77015042079	Bilaspur	-229.81	5.05	-229.11	-0.70	
A100410	State Bank of India	10102785159	Bilaspur	-4680.71	2.53	-23.00	-4657.71	
A100422	Punjab National Bank	58002100044864	Bilaspur	-4283.95	7.52	-3251.62	-1032.33	
A100435	Union Bank of India	619701010050117	Bilaspur	1489.52	5.00	-44.61	1534.13	
A100401	State Bank of India	10563772165 & 30166690230	Durg	-610.71	0.46	52.41	-663.12	
A100403	Union Bank of India	496701010110316	Durg	2012.98	0.10	146.67	1866.32	
A100410	State Bank of India	10563772176	Durg	-44.04	6.70	6.05	-50.09	
A100	Punjab	1654002180	Durg	-1363.	2.37	2.37	-136	

422	National Bank	011463		49			5.86	
A100420	State Bank of India	10822707023	Head Office	1262.02	2.53	7895.79	-6633.77	
A100422	Punjab National Bank	399002100077662	Head Office	-7306.63	180.23	-613.65	-6692.98	
A100441	Union Bank of India	619405010000102	Head Office	-62679.52	-45655.47	-45655.47	-17024.05	*Refer Below : Note 1
A100422	Punjab National Bank	222502101004113 & 222502101005112	Jagd alpur	16.05	4.43	23.23	-7.18	
A100401	State Bank of India	31997767961	Raigarh	-6121.06	0.10	0.10	-6121.16	
A100403	Union Bank of India	554701010050455	Raigarh	-2636.42	1.00	1.00	-2637.42	
A100410	State Bank of India	31997768444	Raigarh	857.84	1.57	1.57	856.27	
A100435	Union Bank	55470101005040	Raigarh	216.68	5.00	5.00	211.68	

	of Indi a	9						
A1 00 401	Stat e Bank of Indi a	10822 70635 8	Raip ur - I	- 1428.1 6	0.10	0.10	- 142 8.2 6	
A1 00 40 3	Unio n Bank of Indi a	61940 10100 50310	Raip ur - I	-18.58	1.00	- 153.71	135 .13	
A1 00 410	Stat e Bank of Indi a	10822 7063 47	Raip ur - I	- 1258. 67	1.07	0.97	- 125 9.6 3	
A1 00 412	ICIC I Bank	16105 0066 07	Raip ur - I	1.01	1.47	1.47	- 0.4 6	
A1 00 43 8	ICIC I Bank	10105 0064 94	Raip ur - I	439.6 5	0.00	424.3 1	15. 34	
A1 00 401	Stat e Bank of Indi a	31734 74578 9	Raip ur - II	2141.7 7	0.10	2116.9 3	24. 83	
A1 00 40 3	Unio n Bank of Indi a	61940 10100 50311	Raip ur - II	- 520.0 4	3.50	- 548.9 6	28. 92	
A1 00 40 4	Chh attis garh Rajy aGra min Bank	77014 17417 5	Raip ur - II	- 1331.6 4	0.00	- 1227. 08	- 10 4.5 6	
A1	Stat	10564	Rajn	360.8	0.26	-	74	

00401	e Bank of India	172350	andgaon	1		388.78	9.59
A100403	Union Bank of India	594901010050420	Rajnandgaon	-22.23	0.98	-146.95	124.73
A100404	Chhattisgarh Rajya Gramin Bank	77013275379	Rajnandgaon	-722.23	1.54	-686.07	-36.16
A100410	State Bank of India	10564172349	Rajnandgaon	-719.39	12.80	8.11	-727.50

Soft Copy of all the banks in operation in H.O & CAU were provided to the Statutory Auditors further as mentioned above there are various bank ledger code in SAP which are appearing due to wrong entries passed by the clerical staff therefore for such bank ledger no bank statement is available because as such no bank account is maintained in these banks, these incorrect entries are being identified and necessary correction entries are being passed to eliminate these bank balances from the books of accounts.

***Note 1:**

No Bank Reconciliation has been provided to us. The sanctioned Limit is of Rs.51500.00 Lacs but the balance as per Books is of Rs.62679.52. No explanation or reconciliation of the same has been provided to us.

Bank Statements not provided to us.

(Rs. In Lakh)

GL Code	Bank Name	Account Number	Area	Balance as per Cashbook (Rs. In lakhs)	Remarks
A100400	State Bank of India	31095128974	Head Office	590.67	No Details Provided to us for our Verification
A100401	State Bank of India		Head Office	73.88	
A100401	State Bank of India		CAU	-10,262.87	
A1004	Union		Head	-68.33	

03	Bank of India		Office	
A100410	State Bank of India		CAU	104,924.08
A100412	ICICI Bank		CAU	-0.07
A100414	State Bank of India	35931730575	Head Office	25,696.89
A100422	Punjab National Bank		RAIPUR - I	-53.80
A100422	Punjab National Bank	399002100077705	CAU	35,885.38
A100425	Central Bank of India	1321686394	Ambikapur	0.86
A100426	Bank of India		Head Office	0.25
A100435	Union Bank of India	496701010110341	Durg	12.35
A100435	Union Bank of India		Head Office	17.06
A100435	Union Bank of India	619401010050418	CAU	175.73
A100441	Union Bank of India		CAU	-24.90
A100448	Punjab National Bank		CAU	12.18
A100450	Union Bank of India		Head Office	-461.67
A100472	Punjab National Bank		CAU	2,369.50

It would be unjustified to say that all the cheques showing as "Cheques in hand " in Bank reconciliation statement are stale cheques as many cheques/amounts are also shown in the reconciliation statement as received in bank but not shown in cash book. Thus such amounts are appearing on both side of the reconciliation statements .i.e received in cash book but not found in bank statement and also received in bank but not found in cash book . Further the two cheque mention in the audit para has already been transferred in the stale cheque accounts.As these cheques were issued to various vendor but had not been encashed by them the same can be verified from the system.

- As per the Bank Reconciliations provided to us, there are various "Cheques in Hand" which are debited in books but not credited in Bank for a long period of timebut they should be considered as Stale Cheques. For instances

GL Co	Bank	Account No.	Amount	Area	Remark
-------	------	-------------	--------	------	--------

de	Nam e				
A10 04 01	Stat e Bank of Indi a	105641 72350	255745 37.62	Rajna ndgao n	Respective Amount is Outstanding for more than 3 months but less than 1 year.
A10 04 03	Unio n Bank of Indi a	594901 010050 420	340011 4	Rajna ndgao n	In the mentioned amount receipts amounting to ₹1118776 is O/S for more than 3 years while rest is for less than 3 years but more than 3 months.
A10 04 04	Chh attis garh Rajy aGra min Bank	770132 75379	132267 8	Rajna ndgao n	Respective is Outstanding for more than 3 months but less than 1 year.
A10 04 03	Unio n Bank of Indi a	554601 010050 393	233075 3	Ambik apur	Respective receipts are O/S for more than 3 months.
A10 041 0	Stat e Bank of Indi a	104561 93113	11875	Raipu r -I	Clearly mentioned as stale cheques in BRS.
A10 043 5	Unio n Bank of Indi a	327010 102409 24	25000	Raipu r -I	Clearly mentioned as stale cheques in BRS.

(iv)Cash in Transit:

The balance of **cash in transit** is pending since long time which should be reconciled and nullified at the end.

The process of identifying and passing necessary correction entries has been initiated in this regard the differential amount of Rs.3,00,00,000 appearing in RAO Ambikapur has been cleared in FY 2019-20,

G/L Cod e	Partic ulars	Area	Amount (Dr.)	Amount (Cr.)	Differen ce
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A10 030 5	Cash in transit	Ambika pur	1,30,98,45 ,351	1,27,98,45 ,351	3,00,00, 000
A10 030 5	Cash in transit	Durg	2,23,62,33 ,049	2,19,48,31 ,940	4,14,01,1 09
A10 030 5	Cash in transit	Raipur I	1,70,52,25 ,982	1,68,98,25 ,982	1,54,00, 000
A10 030 5	Cash in transit	Head Office	39,21,21,8 0,993	39,16,98,9 6,417	4,22,84, 576

similarly the differential amount of 1,54,00,000 showing in RAO Raipur-I has been identified as amount transferred on account as tax payment of RAO Raipur -II.

As mentioned in the earlier para relating to Bank Reconciliation the difference is due to uploading of opening balances from old server, the process of reconciliation is in process and the figures shall be reconciled soon and necessary entries shall be made.

Further to the above-mentioned difference for the year, there is an opening Balance of Rs.1661.93 Lacs is also pending for adjustment since last years. No proper explanation as to why such Balances are still pending & not rectified has been provided to us.

(v) Stores & Spares

❖ As per Ind AS 2, the cost of inventories may not be recoverable if those inventories are damaged, or have become wholly or partially obsolete. The practice of writing inventories down below cost to net realizable value is consistent with the view that assets should not be carried in excess of amounts expected to be realized from their sale or use. However, the company had not valued the items appearing in 'Defective and Empties' Account at fair value.

❖ Ledger balances amounting to ₹73.56 lakhs in 'Store and Spares' Accounts which are outstanding from opening should have been transferred to 'Defective and Empties' Account at Net Realizable Value.

The Valuation of the Inventories has been made lower of Cost or Net Realizable Value, based on the technical analysis, the company ascertained that the book value of defective and empties are lower than its realizable value and hence as per the accounting standards, the inventories had been valued to its book value which is lower of "Cost or NRV". From the above, the company is compliant to the IND AS issued for valuation of Inventories.

Necessary adjustment shall be made after due scrutiny of the same by various store divisions

(vi) Non Accounting of Revenue Subsidy:

The Company has raised a Claim of Rs.246.78 Cr for FY 2016-17, Rs. 274.84 Cr for FY 2017-18 & Rs.449.07 Cr for FY 2018-19, thereby totaling to Rs.970.69 Cr to State Government of Chhattisgarh vide their letters dated 22.05.2019 & 02.12.2019 for Compensation against Free electricity to Farmers under KrishakJeevanJyotishceme of Government. But the Company has neither received any amount against this compensation nor has received any Confirmation regarding such amount from State Government. As explained & informed to us the said amounts will be accounted for as and when received from Government of Chhattisgarh and hence has not been provided for in the Books of Accounts of FY 2018-19.

The State Government has approved scheme as per which agriculture consumption of 6000unit per year (for pumps upto 3HP) and 7500 units per year (for pumps above 3 HP but upto 5 HP) was free for which full reimbursement was to be made by the State Government for Agriculture consumers having opted for flat rate tariff of Rs.100/HP, per month, State Government was to reimburse up to the consumption limit specified above. As the Govt. has not approved to reimburse charges against consumption in excess of limit specified in

its order dated 28.11.2017, the Company has not considered energy charges in excess of the approved limit as its revenue looking to basic principles of accounting the conservative approach as per which revenue should be recognized in books only when realization of the same is reasonable certain. The company has approached the State Govt. vide letter dated 31.05.2019 & 02.12.2019 for reimbursement of excess energy charges and on acceptance / sanction of the same by the State Govt. the same will be recognized as revenue in the year of sanction.

(vii) Delay Payment Surcharge

Delay payment surcharge payable during the year has not been provided for current year. In addition, thereto, no record of delay payment surcharge payable to private parties were produced before us. As per information and explanation provided to us CSPDCL is paying delay payment surcharge to private parties as claimed by them in their invoice.

The company is recording the delay payment surcharge payable to the parties other than the State power companies on cash basis and is recorded and paid in the year in which the same is claim by the parties.

(viii) Renewable Energy Certificate (REC)

Due to non-compliance of RPO (Renewable Power Obligations) target, the company is obliged to purchase REC Certificate. However, the company has not purchased the REC Certificate which has resulted in creation of a provision amounting to ₹161.14 Crores, details of which are given below:

The company is facing financial shortage and therefore also shortage of renewable power in the State. Further the company has also filed application for grant of relief from purchase of REC Certificates at various forum as it would block the working capital of the company. However to adhere with the accounting concept of accrual & materiality provision is made in the books of accounts.

Type of Sources	Total Consumption (LV, HV and EHV Sales) (MU)	RPO Target		RPO Achievement		Difference (In MU)	Rate (₹/REC)	Amount (₹ In Crores)
		In %	In MU	In %	In MU			
Solar	22333	3.5	781.66	2.25	502.62	279.04	1,000	27.9
Non Solar		7.5	1675	3.52	786.72	888.26	1,500	133.24
Total		11	2456.6	5.77	1289.3	1167.3		161.14

(ix) Difference in Inter Company Balances

During the course of our verification we found that there is Differences in Inter Company balances of the Company. Details are as under:-

Name	Balance as per our Books (SAP)	Respective Balances as per Inter - Company's Books	Difference
Chhattisgarh State Power Holding Company Limited	Cr. bal of ₹ 10,158.16 lakhs	Dr.bal of ₹ 9,837.21 lakhs	₹ 320.95 lakhs
Chhattisgarh State Power Generation Company Limited(CSP GCL)	Dr.bal of ₹ 557.33 lakhs	Cr. bal of ₹ 3,484.73 Lakhs	₹ 2,927.40 lakhs
Chhattisgarh State Power Transmission Company Limited(CSP TCL)	Cr. bal of ₹ 1,073.46 lakhs	Cr. bal of ₹ 2,144.64 Lakhs	₹ 3,218.10 Lakhs

There are various reasons for difference in the balances existing in the books of two companies. A reconciliation statement of the same is being prepared.

(x) Revenue

- ❖ Sale of power through power trading company (PTC) has been booked after netting off commission payable to PTC, which results in under booking of revenue and expenses which is not in accordance with IND AS 115 "Revenue from contract with customers". Since, commission expenses have been netted off;the company has not deducted TDS under Sec-194H of Income Tax Act, 1961.
- ❖ No Reconciliation of Revenue as per books &GST Returns filed has been provided to us for our verification.
- ❖ During the course of Audit, we observed that there is

Whenever payment is made by PTC to CSPDCL, it deducts its commission and makes net payment , hence TDS could not be deducted on the commission paid as payment is received after deduction of commission by PTC. However whenever CSPDCL is required to make payment to PTC, TDS as per Income tax is deducted on commission. Grossing up of commission has been done from FY 2019-20.

The reconciliation of revenue is in process as due to voluminous data the reconciliation process is time taking task.

The difference between the Revenue as per

Difference between Revenue Earned from High tension (HT) consumers as per Billing Module of SAP & Accounting Module of SAP.

As per Billing Module	As per SAP	Difference
7,425.49 crores	6,982.05 crores	443.44 crores

billing module & SAP Fico module is due to non-linking of revenue item in Fico Module in the report of HT R-15 prepared in the SAP system, the same has been rectified and there is no difference in the revenue of two modules now or if any marginal difference exists a reason of the same could be ascertain

❖ As per MOU signed between Government of India (GOI), Government of Chhattisgarh (GoCG) and CSPDCL, GoCG is required to issue bonds to take over 75% of debt of CSPDCL in two stages i.e. 50% during 2015-16 & 25% during 2016-17. The Government had issued bonds of ₹870.12 crores under UDAY scheme instead of ₹864.75 crore (75% of total debt of ₹1153 crores) and the company had not recognized the excess amount received of ₹5.37 crores as other current liability, instead it had shown it under Other Equity.

The auditors have state the factual statement; necessary rectification entries have been incorporated in the accounts of FY 2019-20.

❖ The company has carried out various deposit works & charged supervision charges thereon at the rate of 15% of deposit works. The company recognizes the same as income on cash basis instead of accrual basis. A clear policy has not been framed by the company regarding this matter.

Due to large number of estimates it is not possible to relate each and every amount of supervision charges and the stage of work up to which the same has been completed, therefore the same has been recognized in the account as and when the same is received.

(i) Delay Payment Surcharge

As per Board Resolution passed by the Board of Directors of CSPTCL in a meeting dated 27th July 2019, Delay Payment Surcharge has been waived and written off amounting to ₹190.81 crores during the period from F.Y. 2011-12 to F.Y. 2017-18 in the accounts of CSPTCL for the F.Y. 2018-19. Hence, this liability of ₹190.81 crore is no longer required, so it has been written off in FY 2018-19 and has been adjusted through other delay payment surcharges shown in Exceptional Items (Note No. 28 to Financial Statements)

The Auditors have stated the factual statement necessary accounting entries has been made in the books of account of FY 2018-19 based on the materiality and amount involved. Necessary disclosure has also been made in this regard in the notes to account.

S. No.	Financial Year	Amount (in Crores)
1	2011-12	16.92
2	2012-13	89.70
3	2013-14	19.98
4	2014-15	6.14
5	2015-16	11.43
6	2016-17	32.20
7	2017-18	14.44
	TOTAL	190.81

d) Identification of Micro, Small and Medium Enterprises as defined under MSMED Act, 2006.

<p>As informed the company has system for identification of enterprises qualifying under the definition of Micro, Small and Medium Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). However, the same has not been implemented successfully; hence leading to non-identification of vendor enterprises into Micro or Small or Medium Enterprises. Furthermore No Additional Disclosure related to trade receivables, loans & trade payables as required by IND AS Schedule III has been made in the Financial Statements of the Company.</p>	<p>The amount payable to Micro, Small and Medium enterprises as defined under MSMED Act, 2006 has been separately mentioned in the notes to account and disclosure has been made in this regard.</p>
<p>e) Deemed Deposits under Companies Act, 2013</p> <p>As per the information provided to us, the company has not maintained age wise details (ageing schedule) of advances received from customers, thus we are unable to comment on Deemed Deposits as per Sec 73 to 76 of Companies Act, 2013. (Advanced received, if not supplied within 365 days, is considered as deemed deposits.)</p>	<p>Age wise report of debtors is available in SAP system and was also provided to the Auditors. However, Age wise report of Creditors are not available in SAP system. Deemed deposits as per section 73-76 is applicable only for sub clause (a) & (c) of clause XII of Rule 2 of Companies (Acceptance of Deposits) Rule, 2014. The sub clause (c) does not require age wise details of security deposit. The sub clause (a) requires age wise details of advances for more than one year. The same will be provided to the audit next year.</p>
<p>f) GST Audit</p> <p>As per section 35(5) of Central Goods and Service Tax Act, 2017, every prescribed company is required to appoint a GST auditor for conduct of GST Audit. However, as of now, the company has appointed a GST Auditor for the FY 17-18, however as informed to us the audit is still under process and GSTR-9C is not submitted yet. Also, the Annual Return (GSTR-9) for the same year has not been filed yet.</p>	<p>GSTR-9 & 9C has been filed on 02.06.2020 & 16/07/2020 respectively.</p>
<p>g) Internal Audit</p> <p>As per section 138 of companies Act 2013 read with Rule 13(1)(a) of Companies (Accounts) Rules, 2014, every prescribed company is required to appoint an Internal auditor. Although the company has appointed an Internal Auditor, the Internal Audit Report for the Financial Year 2018-19 is not produced before us for our consideration.</p>	<p>1. M/s Prem Chand & Company, 2 M/s Ajay Sidhwani & Co, 3. M/s Minesh Anand & Associates & 4. M/s Purthi & Company have been appointed as Internal Auditor for FY 2018-19. Major portion of audit i.e. revenue audit, power purchase audit etc. has been completed and the related finding has been submitted by the internal auditors and has been shown to the statutory auditors during the course of audit, however the final summary Internal Audit report was yet to be submitted by the Internal Auditors</p>

h) Government Grant and Consumer Contribution for Property plant and Equipment

As per Ind AS 20, Government grants related to assets, including non-monetary grants at fair value shall be presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognized in profit or loss on a systematic basis over the useful life of the asset. Government Grant and consumer contribution are not amortized on deferred basis in line with related asset for which grant/contribution was received.

The Government Grant and consumer contribution are amortized in accordance with the asset capitalized during the year, however due to the large number and nature of asset it is not possible to correlate and have a one to one relation between the contribution and assets developed

i) Cash Flow Statement

Cash Flow Statement is not in line with the corresponding Ind AS 7 requirements. TDS, TCS and Profit or Loss on sale of Fixed Assets is not separately recorded in preparation of Cash Flow Statement. Further, it was observed that the cash flow statement prepared does not contain the statement of change in liabilities arising out of financial activities, including both changes arising from cash flows and non-cash changes as per required by Ind AS 7.

The Cash Flow statement has been made in line with Ind AS 7, however if any further disclosure is required, the audit is requested to suggest the same and necessary changes may be made in the next year cash flow statement.

As per Para 44A of Ind AS 7, an entity shall provide disclosures that enable users of financial Statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

Further to the extent necessary to satisfy the requirement in paragraph 44A, an entity shall disclose the following changes in liabilities arising from financing activities:

- (a) Changes from financing cash flows;
- (b) Changes arising from obtaining or losing control of subsidiaries or other businesses;
- (c) The effect of changes in foreign exchange rates;
- (d) Changes in fair values; and
- (e) Other changes.

j) Assets held for sale

Company has not classified the non-current assets (or disposal group) as Held for Sale as required by Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations". As informed there are non-current assets whose carrying amount will be recovered principally through a sale transaction rather than through continuing use, which qualify to be disclosed as assets held for sale.

As per Ind AS 105 - The objective of this Indian Accounting Standard (Ind AS) is to specify the accounting for assets held for sale, and the presentation and disclosure of discontinued operations. In particular, this Ind AS requires: (a) assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell, and depreciation on such assets to cease; and (b) assets that meet the criteria to be classified as held for sale to be presented separately in the balance sheet and the results of

	<p>discontinued operations to be presented separately in the statement of profit and loss.</p> <p>The assets held by the company unlike any other manufacturing or trading concern cannot be distinguish form each other assets and cannot be termed as a separate block of assets which are held separately as a result of discontinued operations as the operation performed by the company is of continuous perpetual nature. The unusable assets which have to be discarded due to wear and tear or due to change in technology are immediately replaced by the some other assets as the operation of the company is still continued. Further the sale proceed of the discarded assets is realized through sale in auction and is recorded as sale of scrap. Therefore Company has not classified the non-current assets (or disposal group) as Held for Sale separately.</p>
<p>k) Depreciation short claimed due to delayed capitalization of Capital work in progress</p> <p>During the scrutiny of fixed asset Register, it was observed that the capitalization of Capital work in progress was done generally in month end dates. Further, major capitalization was done in the last day of the financial year i.e 31st March, 2019. On enquiry raised by us it was explained to us that delay is due to non- submission of estimates by divisions and assets are commissioned well before their capitalization in the books of accounts. The said accounting treatment has resulted in under booking of depreciation resulting in loss to the company. The amount of such short depreciation could not be quantified in view of availability of complete details.</p>	<p>The capitalization of assets formed is a perpetual process and as evident from the assets register the capitalization of assets is done in every month however the frequency is much more in the month of March being the last month of the Financial year. It may also due to the reason as the financial year period is closed after 31st March and the process of documentation takes time the capitalization process in the system is run after end of the financial year and due to procedural aspect the same is capitalized in the last day of the financial year.</p>
<p>l) TDS booking</p> <p>The company has in case of vendor payment deducted TDS on actual payment basis. However, as per the Income Tax Act, payer is bound to deduct TDS on payment or credit whichever is earlier. Hence, the company in this manner deferred TDS liability, due to lack of sufficient and appropriate audit evidence; the amount of deferment cannot be quantified.</p>	<p>For control purpose the program in the SAP is develop in such a way that direct credit cannot be posted in the vendor instead it is first parked in the general ledger account by the department where the bill is submitted and later on when the bill is passed the amount is transferred to the vendor account from the general ledger and at this instance TDS is deducted. As the Income tax Act TDS</p>

	<p>is to be deducted at the time of credit or payment whichever is earlier, according TDS is deducted at the time the credit is given to the vendor.</p>
<p>m) Cess Collected but not deposited</p> <p>During the scrutiny of taxes & cess, it was found that the company (Ambikapur RAO) had collected "Construction Workers' Welfare Cess" @ 1% of the cost of construction amounting to ₹1.55 crores during the year but deposited only ₹0.50 crore to the government. The mentioned Non-payment of Cess has resulted in short payment of Statutory Liability which may result in penal consequences for the Company.</p>	<p>The Audit has stated the factual statement there was delay in deposit of taxes & cess related to "Building & Construction Workers welfare Cess" due to procedural changes, earlier the taxes were deposited through manual challans, which latter was required to be deposited online and no manual challan were accepted, further the RAO was not aware of the procedure of online payment due to which delay was caused. Further as the matter was resolved all the pending taxes & cess were deposit to the government account.</p>
<p>n) Pertaining to previous years</p> <p>Cash & Cash Equivalents (Note 13) includes ₹18.01 Lacs pertaining to cash receivable from employees of the company for misappropriation/embezzlement of cheques collected from the consumers against monthly electricity bills. The Qualifications mentioned in the Previous Audit Report for the financial year 2017-18 have not been complied yet.</p>	<p>Appropriate disclosure regarding fraud has been made in the notes to accounts, further provision in book of accounts has also been made in the current financial year under the Note No.20 "Exceptional Items" as per information provided by the concern division.</p>
<p>o) ROC Filing</p> <p>As per MCA Master data the Company has filed its Balance Sheet as at 31st March, 2019 and also the Companies Status is "ACTIVE Non- Compliant". As per MCA guidelines if a Company is Active Non Compliant then No request for recording the following event-based information or changes shall be accepted by the Registrar from such companies marked as "ACTIVE-non-compliant", unless " e-Form ACTIVE" is filed -</p> <p>a) SH-07 (Change in Authorized Capital); b) PAS-03 (Change in Paid-up Capital); c) DIR-12 (Changes in Director except cessation); d) INC-22 (Change in Registered Office); e) INC-28 (Amalgamation, de-merger)</p> <p>Also as per MCA notice, in case e-Form ACTIVE is not filed by the Company on or before the due date, the compliance status for such company shall be marked as 'ACTIVE Non-compliant' and Directors of such 'ACTIVE non-compliant' companies shall</p>	<p>As per MCA portal system, the Company Master Data is being updated on the basis of filing of Audited Financial Statements/Annual Return. The Company has filed its Annual Return for the Financial Year 2018-19 on 12th March, 2020 vide SRN: R35285147. Thus, the date of Balance Sheet (not the date of filing) as at 31st March, 2019 was appearing in MCA Master Data.</p> <p>It is to mention that e-Form No. INC - 22A (Active Company Tagging Identities and Verification) could be file only after filing of Form no. AOC-4 XBRL i.e. Financial Statements for the financial year 2017-18, the Company has filed Form no. AOC-4 XBRL i.e. Financial Statements for the financial year 2017 vide SRN: R76923697 on 23rd December, 2020.</p>

<p>be marked as 'Director of ACTIVE non-compliant company'.</p> <p>Further to this No explanation has been provided to us as to how without obtaining Signed Audited Financial Statements for the year ended on 31st March,2019, as per MCA Master date the Date of Balance Sheet is showing 31st March,2019.</p>	<p>Subsequently, after filing of the above form, the Company has filed Form INC-22 A vide SRN R78859618 on 29th December, 2020.</p>
<p>Key Audit Matters</p>	
<p>p) GBI (Generation Based Incentive) Claim:</p> <p>GBI claim is a subsidy received by the company from the government against purchase of Solar power from two different parties. The applicable SERC Tariff Rate is ₹17.91/kWh, out of which ₹10.17/kWh is reimbursed by the government, whereas the company is claiming the same at ₹12.25/kWh. The company has followed Cash System of accounting instead of Mercantile Basis for recording of this claim.</p>	<p>The matter of difference in GBI rate is subjudiced and is pending for hearing at APTEL. Till the matter is adjudicated the GBI claim is entered in the books on the basis of actual amount received.</p>
<p>q)Transmission Charges:</p> <p>Monthly Transmission Charges of ₹80.29 Cr. is payable by LTOA & MTOA customers to CSPTCL. CSPDCL is a LTOA customer and the monthly transmission charges paid to the CSPTCL is distributed between the LTOA and MTOA consumers in proportion to the allotted capacity,after netting off the transmission chargesreceived from STOA consumers. However, the amount paidby STOA consumers to CSPTCL is on cash basis rather than accrual basis.</p>	<p>The ARR of CSPTCL for FY 2018-19 has been determine by CSERC at Rs.963.48 Crore , Monthly transmission Charges for Medium-term and Long-term Open Access Consumers at Rs.80.29 Crores and Short-term Open Access Charges @0.3492 Rs/kWh. Accordingly the monthly bill is raised by CSPTCL on CSPDCL for each month after adjustment of amount received form STOA consumer. CSPDCL has accordingly made provision in its accounts for due amount of MTOA & LTOA on accrual basis and adjustment of STOA is made by CSPTCL as and when received.</p>
<p>Other Matters</p>	
<p>a) As per Section 204(1) of Companies Act 2013 read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 which mandates Secretarial Audit for every Listed Company, the company has appointed Secretarial auditor for Secretarial audit but the Secretarial audit report for the financial year 2017-18 & 2018-19 has not been submitted.</p>	<p>It is to mention here that there is no time limit prescribed under the Companies Act, 2013 for appointment of Secretarial Auditor. There is only requirement of annexing Secretarial Audit Report with Board Report under Section 204 of the Companies Act, 2013. In view of the above, there is no non-compliance of the provisions of the Companies Act, 2013.</p> <p>The Company has appointed Secretarial Auditor for the Financial Year 2017-18 and the Secretarial Auditor also completed their audit and submits their Secretarial Audit report for the financial year 2017-18 and the same is also annexed with Board's</p>

	<p>Report for the financial year 2017-18.</p> <p>Further, the Company has appointed Secretarial Auditor for the financial 2018-19, in its Board Meeting held on 27th July, 2019. Further, the Company has annexed Secretarial Audit Report for the F.Y. 2018-19 with the Board Report.</p>
<p>b) As per Sec 135 (1) of Companies Act, 2013 read with Rule 3 of Companies Rules, 2014 every company having net worth of 500 cr. or more, or turnover of 1000 cr. or more, or net profit of 5 cr. or more during immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the board consisting of three or more directors, out of which one shall be an independent director. The company does not have any Independent Director on its Board of Directors as required by Sec 149 of the Companies Act,2013, consequent to which the company could not comply the above provision.</p>	<p>There was requirement of appointment pf one-third of the total number of Directors as Independent Directors on the Board of Directors of the Company during the Financial Year under review in pursuance of the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations (Bonds issued by CSPDCL are listed on stock exchanges). Further, there was requirement of Independent Diredtors on Audit Committee and Nomination & Remuneration Committee.</p>
<p>c) As per Section 178(1) of Companies Act, 2013 read with Rule 6 of Companies (Meetings of Board and its Powers) Rules,2014,every listed company and public company which has paid up share capital of 100 crore or more, orwhich have, in aggregate, outstanding loans or borrowings or debentures or deposits exceeding Rs.50 Crores need to form a Nomination and Remuneration committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors. The Company does not have any Nomination and Remuneration committee due to non-availability of Independent directors.</p>	<p>Being a Government of Chhattisgarh undertaking, as per the Articles of Association of the Company, all the Directors are to be appointed by the Government of Chhattisgarh. Keeping in view the above, a request was made to the Govt. of Chhattisgarh for appointment of Independent Directors on the Board of Directors of the Company. However, the Govt. of C.G. has not yet appointed Independent Directors on the Board of Directors of the Company.</p>
<p>d) As per Sec 177 (1) of Companies Act, 2013 read with Rule 6 and 7 of Companies (Meeting and Power of Board) Rules, 2014 which deals with requirement to form Audit Committee, the Company does not have Independent Director in its Board of Directors as required by Sec 149 of the Companies Act, 2013 consequent to which the Company could not comply with the above provision.</p>	<p>It is to mention that due to subsequent amendment in the the Companies Act and SEBI (LODR) Regulations, the provisions related to appointment of independent directors, constitution of Audit Committee and Nomination & Remuneration Committee are not applicable on your Company w.e.f. 1st April, 2021. Keeping in view the above provision, the Board of Directors of the Company, in its meeting held on 17thJuly, 2021, dismantled the Audit Committee of the Company.</p> <p>Further, as per the newly inserted provisions of Section 135(9) of the</p>

	<p>Companies Act, 2013, where the amount to be spent by a company under Section 135(5) does not exceed fifty lakh rupees, the requirement for constitution of the Corporate Social Responsibility Committee shall not be applicable w.e.f. 22.01.2021 and the functions of CSR Committee provided under the Companies Act 2013 shall be discharged by the Board of Directors of Company. Since, the Company was having average net loss during the immediately preceding three financial years. Accordingly, the Company was not required to constitute a CSR Committee as per section 135 of the Companies Act, 2013.</p>
<p>e) As per Sec 148 of Companies Act, 2013 read with Rules 3 and 4 of Companies (Cost Records and Audit) Rules, 2014 which mandates Cost Audit for specified companies, the company has appointed Cost Auditor but the Cost Audit Report for the Financial year 2017-18 & 2018-19 have not produced before us.</p>	<p>The Board of Directors of the Company in its meeting held on 13th August, 2018 and 18th October, 2019 has appointed the Cost Auditor of the Company for the financial year 2017-18 & 2018-19 respectively. However, due delay in preparation, finalization & audit of the Financial Statements for the financial year 2015-16, the finalization of cost records for the financial year 2017-18 & 2018-19 also got delayed.</p> <p>The Board of Directors of the Company, in its meeting held on 15th April, 2020 and 20th June, 2020 has approved the Cost Audit Report for the F.Y. 2017-18 & 2018-19 respectively.</p>
<p>Annexure A to the Auditors' Report</p>	
<p>PARA NO. I- In respect of its fixed assets:</p> <p>(a) The Company has maintained records of fixed assets. However, <i>voucher no., supplier name, quantitative and situation wise details are not maintained in the fixed assets register.</i></p> <p>(b) The management has explained that physical verification of fixed assets is a perpetual process undertaken at divisional and sub-divisional level. <i>As the relevant records of the</i></p>	<p>(a) The fixed assets register maintained at H.O. on the basis of information available in the SAP system. As due to limitation of the system and voluminous number of component in a asset, the quantitative details are not available in the fixed assets register maintained at H.O. However, detail quantitative details of assets are maintained at respective division and sub division offices.</p> <p>(b) Due to time constraint information from field offices were not received at the</p>

physical verification were not produced before us for our review, we are not in a position to comment thereon.

time of audit. However, the same shall be taken care of in future.

(c) The company possesses land received from MPSEB wherein records were not handed over, for re-organization of erstwhile MPSEB due to non-traceability; hence we are not in a position to comment thereon.

(c) The auditor statement represents the factual position and doesn't require any comment

PARA NO. II- In respect of its inventories:

As per information and explanation given to us, physical verification of inventory is a perpetual process undertaken at stores. As the relevant records of the physical verification were not produced before us for our review, we are not in a position to comment thereon.

The auditor statement represents the factual position and doesn't require any comment. The detail records of physical verification are maintained at store offices. Due to time constraint all physical verification report were not received at the time of audit. However, the same shall be taken care of in future.

As per information and explanation given to us, the company is maintaining proper records of inventory and discrepancies, if any, found during the course of physical verification has been properly dealt with by the management.

The auditor statement represents the factual position and doesn't require any comment

PARA NO. VII - In respect of statutory dues:

a. According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty Excise Duty, Cess, and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31 March, 2019 for a period of more than six months from the date of becoming payable.

The auditor statement represents the factual position and doesn't require any comment.

b. Dues of CSPDCL for Custom Duty, Wealth Tax, Service Tax and Cess, which have not been deposited on account of dispute are as under:

The status of the cases has already been mentioned in the auditors' report and is self explanatory and does not require any comment. Further necessary disclosure has already been made in the notes to account of the company during the reporting financial year.

In respect of Income Tax Act, 1961

S r.	Assessment Year	Gross Tax Liability	Unpaid Tax	Authority before which case is
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N o.		demanded (₹ in Crore)	Liabilit y (₹ in Crore)	pending
1	2003-04	277.38	144.81	Pending before Hon'ble High Court of Chhattisgarh & Income Tax Appellate Tribunal (ITAT), Mumbai.
2	2006-07	373.36	246.60	The matter is pending before Appellate Tribunal.
3	2008-09	92.19	-	The matter is pending before CIT (A) / ITAT.

Any adverse outcome in the Income Tax cases referred above will have an adverse financial implication on the successor companies i.e. CSPGCL, CSPDCL and CSPTCL of erstwhile CSEB.

- c. The Jurisdictional Assistant Commissioner of Income Tax has raised a tax demand of ₹113.06 crore vide order dated. 30/12/2011 passed for Assessment Year 2009-10. The company has sought partial relief against said demand from Commissioner of Income Tax (Appeal) and now the outstanding demand including interest is ₹36.20 crore. The company aggrieved from the order of CIT (A) has preferred an appeal to Income Tax Appellate Tribunal, who has granted stay against recovery of said demand. The matter is pending before ITAT, Mumbai Bench.
- d. The company through the online system of Income Tax Department has retrieved that an amount of ₹4.04 Crore is outstanding against TDS liability (Short Deduction/ Short Payment) and corresponding interest of ₹0.46 Crore against delay in short deduction/ short payment. The company is in process of obtaining necessary information of such distinguished cases from its decentralized office and Income Tax Department and liability will be provided only after due appraisal on cases to case basis.

The Case has been decided in favor of CSPDCL by the ITAT, Mumbai Bench. However the order is yet to be received by the Company.

The company is in the process of obtaining necessary information of such cases from various offices and Income tax department. Further in the due course various corrective actions such as revising of defective returns and filing of reply of the notices with the Income tax department has been taken up by the decentralized offices.

The status of the cases has already been

In respect of Value Added Tax

The demand has been raised against the company by the Commercial Tax Department after assessment of FY 2010-11 & onwards. The Company has filed appeal against order and cases are pending before The Vanijya Kar Tribunal. The liability may arise based on outcome of the case. The year wise gross disputed demand against such liabilities is as under:

Sr. No.	Financial Year	Gross Tax Liability disputed (₹ in lacs)	Authority before which case is pending
1	2010-11	63.79	Appeal before second appellate authority i.e. Vanijya Kar Tribunal.
2	2011-12	76.49	Appeal before second appellate authority i.e. Vanijya Kar Tribunal.

mentioned in the auditor main report and is self-explanatory and does not require any comment. Further necessary disclosure in this regard has been made in notes to account of the company

In Respect of Service Tax

i) Additional Director General of GST Intelligence Bhopal Zonal Unit have issued SCN dated 18-10-2018 demanding service tax of ₹ 94.59 Crore on Meter Rent, Compensation Charges Penalty Recovered from contractors, Parallel Operation Charges, and non-tariff miscellaneous charges etc. as follows:

Financial year	Service Tax Demand (₹ In crores)	Authority before which case is pending
2013-14	39.95	The company has filed writ petition before Hon'ble High Court of Bilaspur, Chhattisgarh.
2014-15	14.49	
2015-16	15.47	
2016-17	19.43	
2017-18 (UPTO June)	5.25	
Total	94.59	

(ii) Additional Director General of GST Intelligence Raipur Unit have issued SCN dated 16.10.2019 demanding service tax ₹13.26Crore on System Strengthening Charges as follows:

Financial year	Service Tax Demand (₹ In crores)	Authority before which case is pending
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2014-15	2.15	The company has filed writ petition before Hon'ble High Court of Bilaspur, Chhattisgarh.
2015-16	3.03	
2016-17	6.47	
2017-18 (UPTO June)	1.61	
Total	13.26	

PARA NO. X

During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, following frauds have been noticed.

- a. A Fraud of ₹18.01 Lacs by an Employee Mr. Jagannath Manikpuri of Dhamtari Division, Raipur Region-II of CSPDCL has been noticed during the 2016-17. It is to mention that now a FIR has been lodged against the person and the company has provided in the accounts in FY 2018-19 (Note No28 to Financial Statements).

S.No.	Nature of Fraud	Amount (₹)
1	Employee fraud	18,01,500

- b. As per the letter no. 05-06/B&CM/2019-20/3809 dated 05th December 2019 & letter no. 05-06/B&CM/2018-19/8452 dated 27th December 2018, cheques having cheque no. 42017198, 42017199 & 02032599 of ₹ 8,80,929, ₹19,50,930 & ₹45,10,520 respectively have been debited from UBI CC A/c (A/c No. 619405010000102) of the company. However, as per management's contention, these were wrongly debited as neither of these were issued or authorized by them. Also, they state the fact that the original leafs of these cheques are still in possession of the company & had already been verified by bank. The bank's reply to management is that it has received the copies of these cheques & has not received any instructions from company to stop these payments.

Although, cheque no. 02032599 passed on 17th December 2018 of ₹45,10,520 has been credited back to the company's bank a/c, for the remaining two cases, neither such action has been taken by the bank nor any FIR has been filed by the company till date. Further to this the balance amount of remaining two cases has been provided in the accounts in FY 2018-19 (Note No28 to Financial Statements).

The company has filed various cases in High Court of Bilaspur against Pankaj Kumar Kela & Aso. Regarding payment to

The status of the cases has already been mentioned in the auditor main report and is self-explanatory and does not require any comment. Further necessary disclosure in this regard has been made in notes to account of the company and necessary provision has been books of accounts . FIR has also been launched with the local police by the concern division office.

The complained was been launched with the banking authorities and whole of the amount has been credited in the company's bank account in the FY 2021-22.

The Company has filed police complain

contractor has been made with forged Signature of Executive Engineers of various Division of CSPDCL. The following cases are pending before the court for disposal.

against the mentioned contractors further departmental enquiry is also being conducted against the employees of the company involved, necessary disclosure in this regard has also been made by the company in its note of accounts.

Case No.	Financial Involvement	Brief Description of the case
WP (Cr) No. 38/2016	₹ 149.79 Lakh	The Subject Writ petition has been filed by the company alleging that the payment made to contractor has been done with forged signature of EE Jagdalpur, EE Bijapur, & EE KondagaonDn of CSPDCL. Further, the company alleged that the Special investigation Team (SIT) has not conducted a proper investigation and therefore filed the petition
WP (Cr) No. 289/2016	₹ 38.67 Lakh	The Subject Writ petition has been filed by the company alleging that the payment made to contractor has been done with forged signature of EE Bilaspur Dn of CSPDCL. Further, the company alleged that the Special investigation Team (SIT) has not conducted a proper investigation and therefore filed the petition
WP (Cr) No. 22/2016	₹ 4.08 Lakh	The Subject Writ petition has been filed by the company alleging that the payment made to contractor has been done with forged signature of EE KorbaDn of CSPDCL. Further, the company alleged that the Special investigation Team (SIT) has not conducted a proper investigation and therefore filed the petition
WP (Cr) No. 23/2016	₹ 107.91 Lakh	The Subject Writ petition has been filed by the company alleging that the payment made to contractor has been done with forged signature of EE ChampaDn of CSPDCL. Further, the company alleged that the Special investigation Team (SIT) has not conducted a proper investigation and therefore filed the petition

WP (Cr) No. 154/2016	₹ 66.19 Lakh	The Subject Writ petition has been filed by the company alleging that the payment made to contractor has been done with forged signature of EE JashpurDn of CSPDCL. Further, the company alleged that the Special investigation Team (SIT) has not conducted a proper investigation and therefore filed the petition
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FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**PLACE: RAIPUR (C. G.)
DATE: 22.04.2022**


**(ANKIT ANAND)
CHAIRMAN
DIN: 07415193**

**ANNEXURE "C" TO THE BOARD'S REPORT
MANAGEMENT REPLY**

**TO
COMMENTS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA (CAG)
FOR THE F.Y. 2018-19**

PARTICULARS	REPLY OF THE MANAGEMENT
<p>A. Comments on Profitability Statement of profit and loss Other Income (Note 23): ₹398.56 Crore</p> <p>The above includes interest amount of ₹6.32 crore received from Fixed deposit of State Government share's for scheme fund SAUBHAGY, IPDS and DDUGJY. This resulted in overstatement of Other Income by ₹6.32 crores and understatement of Current Liabilities and Loss to the same extent.</p>	<p>As per the scheme the amount of interest received on surplus unutilized fund is to be remitted to MoP on regular basis. The Company has accordingly remitted the interest earned of Central Government portion of grant from time to time. However as there is no clear cut instruction regarding the remittance of interest earned on State government portion the same is treated as income and is utilized for payment of contractor bills under respective schemes.</p>
<p>B. Comments on Financial Position Balance Sheet Assets Non current Assets Property, Plant and Equipment (Note 4): ₹5193.91Crore</p> <p>There was shortage of material valuing ₹19.60 lakh at Area Store, Raigarh during the period from December 2017 to March 2019. The Company has not created provision for shortage in material resulting in understatement of provision by ₹19.60 lakh and understatement of loss to the same extent.</p>	<p>The directives were issued in this regard by Executive Director (Store & Purchase) vide his letter no 2532 dt.09.06.2015. The letter clearly states that "Since, the aforesaid practice shall be followed for the first time on experimental basis, the same shall continue for period of six months from date of issue of this letter and based on feedback from field and also from Area Stores, the aforesaid practice shall be reviewed again.</p> <p>These instructions were reviewed on the basis of feedback for final implementation. Implementation of the circular seems to be difficult as the distribution transformers failed in field are installed at different location and quite scattered. Concern AE/EE above cannot be held fully responsible for shortagematerial and recovery may not be justified, as the equipment does not</p>

	<p>remain in their full time custody. Further recently a committee has been constituted vide letter no1848 dated 13.08.2020 to review the instructions and submit report with a suitable proposal in this regard. Outcome will be informed to Audit in due course of time.</p>
<p>Capital Work in Progress: ₹ 3162.31 Crore The Company terminated a contract under DeenDayalUpadhyay Gram JyotiYojana (DDUGJY) Scheme and encashed Bank Guarantee amount of ₹9.35 crore. The same was not adjusted with the Capital Work in Progress.</p>	<p>Necessary entry in this regard shall be incorporated in the accounts of FY 2019-20. However, it is to be mentioned that the amount received is on account of performance guarantee and shall not form the part of CWIP instead the same will be shown as part of other non-operating income of the company.</p>
<p>C. Comment on Disclosure Government of India issued (9 March 2018) circular regarding levy of GST on various electricity charges such as supply affording charges, system strengthening charges, meter rent, meter shifting, etc. which has to be collected from the consumer's others than electricity charges. Accordingly, GST @ 18% is required to be collected from the consumers on such charges. The Company started collection and payment of system strengthening since August 2018. However, the Company has filed petition in High Court of Chhattisgarh against the showcause notice received from the DGGSTI, Raipur on applicability of GST and outcome is awaited. This fact is not disclosed in the financial statements along with its financial effects.</p>	<p>Necessary Disclosure has been made in the Annual accounts of FY 2019-20. (Note No-30.11)</p>

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



(ANKIT ANAND)
CHAIRMAN
DIN: 07415193

PLACE: RAIPUR (C. G.)
DATE: 22.04.2022

**ANNEXURE "E" TO THE BOARD'S REPORT
 MANAGEMENT REPLY TO SECRETARIAL AUDITORS COMMENTS CONTAINED IN
 THEIR SECRETARIAL AUDIT REPORT FOR THE F.Y. 2018-19**

S. NO.	PARTICULARS	REPLY OF THE MANAGEMENT
Para No. 5 Point (a)	There was a requirement of Independent Directors on the Board of Directors of the Company during the financial year 2018-19 as per provisions of Section 149 of the Companies Act, 2013 read with the Companies (Appointment & Qualification of Directors) Rules, 2014.	There was requirement of appointment of one-third of the total number of Directors as Independent Directors on the Board of Directors of the Company during the Financial Year under review in pursuance of the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations (Bonds issued by CSPDCL are listed on stock exchanges). Further, there was requirement of Independent Directors on Audit Committee and Nomination & Remuneration Committee.
Para No. 5 Point (b)	The Company is yet to constitute Nomination & Remuneration Committee as required under Section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014.	Being a Government of Chhattisgarh undertaking, as per the Articles of Association of the Company, all the Directors are to be appointed by the Government of Chhattisgarh. Keeping in view the above, a request was made to the Govt. of Chhattisgarh for appointment of Independent Directors on the Board of Directors of the Company. However, the Govt. of C.G. has not yet appointed Independent Directors on the Board of Directors of the Company.
Para No. 5 Point (c)	The Company is yet to constitute Corporate Social Responsibility (CSR) Committee as required under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.	It is to mention that due to subsequent amendment in the the Companies Act and SEBI (LODR) Regulations, the provisions related to appointment of independent directors, constitution of Audit Committee and Nomination & Remuneration Committee are not applicable on your Company w.e.f. 1st April, 2021. Keeping in view the above provision, the Board of Directors of the Company, in its meeting held on 17th July, 2021, dismantled the Audit Committee of the Company.
Para No. 5 Point (d)	The constitution of the Audit Committee is yet to be modified in accordance with the provisions of Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014.	Further, as per the newly inserted provisions of Section 135(9) of the Companies Act, 2013, where the amount to be spent by a company under Section 135(5) does not exceed fifty lakh rupees, the requirement for constitution of the Corporate Social Responsibility Committee shall

<p>Para No. 5 Point (f)</p>	<p>The Annual General Meeting of the members of the Company for the F.Y. 2017-18 was not held within the extended time i.e. 30th December, 2018.</p>	<p>Due to non-availability of directors due to state legislature election during the month of December, 2018 the Annual General Meeting could not be conducted within the extended time i.e., 30th December, 2018. The above Annual General Meeting was held on 26th February, 2019.</p>
<p>Para No. 5 Point (g)</p>	<p>There were delay in filing of Cost Audit Report with the Central Government for the Financial Year 2017-18.</p>	<p>Due to implementation of new accounting standards from the financial year 2016-17, the preparation of accounts for the financial year 2016-17 have been delayed. Due to delay in finalization of the accounts for the financial year 2016-17, the finalization and audit of cost records for the financial year 2016-17 also got delayed. Due to cascading effect of the above, the preparation of accounts for the financial year 2017-18 has been delayed. Due to the above delay, the finalization and audit of cost records for the financial year 2017-18 also got delayed. Presently, the audit of the cost records for the Financial Year 2017-18 was completed and the same has been already filed with the Central Government.</p>
<p>Para No. 5 Point (h)</p>	<p>There was delay in appointment of Cost Auditor for the financial year 2018-19.</p>	<p>The company has filed a petition to Hon'ble Regional Director, North Western Region through Form GNL-1 vide SRN: R47032990 on 23.07.2020 for compounding of offence for delay in filing of Cost Audit Report for the F.Y. 2017-18 and non-compliance of the provisions of section 148 of the Companies Act, 2013. In pursuance to the above petition, the Hon'ble Regional Director, North Western Region vide order dated 10.02.2021 has compounded the aforesaid default.</p> <p>Further, regarding delay in appointment of Cost Auditor for the financial year 2018-19, the Company has published tender on 17th July, 2019, after due procedure M/s R M Bansal & Company, Kanpur has been selected as successful lowest bidder on the basis of their date of registration. Accordingly, the Board of Directors of the Company in its meeting held on 18th October, 2019 has appointed M/s R M Bansal & Company, Cost</p>

		Accountant as Cost Auditor for the F.Y. 2018-19.
Para No. 5 Point (i)	There was some delay in compliance of applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the company has not complied with Regulation 9, 13(4), 56, 57(2), 58(1)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Except the above, the Company has complied applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.	Necessary measures being taken on sustained basis.
Para No. 19	the existing systems and processes in the Company for monitoring and ensuring compliance with applicable laws, rules, regulations and guidelines should be further strengthened considering the size and operations of the Company.	Necessary measures being taken on sustained basis.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**PLACE: RAIPUR (C. G.)
 DATE: 22.04.2022**


**(ANKIT ANAND)
 CHAIRMAN
 DIN: 07415193**

ANNEXURE 'F'

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U40108CT2003SGC015822
2.	Registration Date	19 th May, 2003
3.	Name of the Company	M/s Chhattisgarh State Power Distribution Company Limited
4.	Category / Sub-category of the Company	Company Limited by Shares State Government Company
5.	Address of the Registered office & contact details	Vidyut Sewa Bhawan, Dangania, Raipur (C.G.) - 492013 Office: (0771) 2574200 Fax: (0771) 4066566 E-mail - mddiscom@cspc.co.in Website- www.cspdcl.co.in
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Beetal Financial & Computer Services Pvt. Ltd. BEETAL House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhhas Mandir New Delhi - 110 062. Ph: 011-29961281 - 83, Fax - 011-29961284 E-mail:- beetal@beetalfinancial.com; beetalrta@gmail.com,

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Main Activity group code Description	Description of Main Activity group	Business Activity Code	Description of Business Activity	% to total turnover of the company
1.	D	Electricity, gas, steam and air condition supply	D1	Electric power generation, transmission and distribution	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY -

S. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	M/s Chhattisgarh State Power Holding Company Limited Registered Office Address: Vidyut Sewa Bhawan, Dangania, Raipur (C.G.) - 492013	U65993CT2008SGC020995	Holding Company	100.00%	Section 2 (46) of the Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp. (Govt. Co.)	-	2263103232	2263103232	100%	-	2263103232	2263103232	100%	0%
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub - total (A) (1):	-	2263103232	2263103232	100%	-	2263103232	2263103232	100%	0%
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies	-	-	-	-	-	-	-	-	-

Corporate									
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub - total (A) (2):	-	-	-	-	-	-	-	-	-
Total Shareholding (A) = (A)(1)+ (A)(2)	-	226310323 2	2263103232	100 %	-	226310323 2	226310323 2	100 %	0%
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non- Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in	-	-	-	-	-	-	-	-	-

2.	Shri Sandeep Modi (For & on behalf of Chhattisgarh State Power Holding Co. Ltd.)	10	0.00%	-	10	0.00 %	-	0%
3.	Shri Shivraj Singh IAS (Retd.) (For & on behalf of Chhattisgarh State Power Holding Co. Ltd.)	10	0.00%	-	-	-	-	0%
4.	Shri G.C. Mukherjee (For & on behalf of Chhattisgarh State Power Holding Co. Ltd.)	10	0.00%	-	10	0.00 %	-	0%
5.	Shri Ankit Anand, IAS(For & on behalf of Chhattisgarh State Power Holding Co. Ltd.)	10	0.00%	-	-	-	-	0%
6.	Shri Amitabh Jain, IAS, (For & on behalf of Chhattisgarh State Power Holding Co. Ltd.)	10	0.00%	-	10	0.00 %	-	0%
7.	Shri SiddharthKomal Singh Pardeshi, IAS, (For & on behalf of Chhattisgarh State Power Holding Co. Ltd.)	10	0.00%	-	-	-	-	0%
8.	Shri Shailendra Kumar Shukla (For & on behalf of Chhattisgarh State Power Holding Co. Ltd.)	-	-	-	10	0.00 %	-	0%
9.	Shri Gaurav Dwivedi,IAS, (For & on behalf of	-	-	-	10	0.00 %	-	0%

	Chhattisgarh State Power Holding Co. Ltd.)							
10.	Shri Mohammad Qaiser Abdulhaque, I AS, (For & on behalf of Chhattisgarh State Power Holding Co. Ltd.)	-	-	-	10	0.00 %	-	0%
TOTAL		2263103232	100%	-	2263103232	100 %	-	0%

C) Change in Promoters' Shareholding:

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2263103232	100%	NIL	
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-	-		
	At the end of the year	2263103232	100%		

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year	Cumulative Shareholding during the year
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		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year				

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year				

V. **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/ accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year -				
i) Principal Amount	1,22,05377757	864243827	-	13114621584
ii) Interest due but not paid	-	194316580	-	194316580
iii) Interest accrued but not due	1090573562	-	-	1090573562
Total (i+ii+iii)	13340951319	1058560407	-	14399511726
Change in Indebtedness during the financial year				0
* Addition	4007805466	65605635.01	-	4073411101
* Reduction	1761752552	0	-	1761752552
Net Change	2246052913	65605635.01	-	2311658548
Indebtedness at the end of the financial year -				0
i) Principal Amount	14228715273	856327827	-	15085043100
ii) Interest due but not paid	1265737324	267838215	-	1533575539
iii) Interest accrued but not due	92551635	-	-	92551635
Total (i+ii+iii)	15587004232	1124166042	-	16711170274

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL -

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Particulars of Remuneration	Name			Total Amount
	Shri Ankit Anand, Managing Director	Shri Hemraj Narware, Whole-Time Director	Shri G.C. Mukherjee, Whole-Time Director	
Gross salary	1,323,367	1,937,842	2,057,365	5,318,574
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
Stock Option	-	-	-	-
Sweat Equity	-	-	-	-
Commission- as % of profit -	-	-	-	-
Others (Reimbursement of	-	-	-	-
Total (A)	1,323,367	1,937,842	2,057,365	5,318,574
Ceiling as per the Act	-	-	-	-

B. Remuneration to other directors -

SN.	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors	NIL	NIL
	Fee for attending board committee meetings		
	Commission		
	Others, please specify		
	Total (1)		
2	Other Non-Executive Directors		
	Fee for attending board committee meetings		
	Commission		
	Others, please specify		
	Total (2)		
Total (B)=(1+2)			
Total Managerial Remuneration			
Overall Ceiling as per the Act			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD -

SN	Particulars of Remuneration	Key Managerial Personnel	
		SANDEEP MODI CFO	Total
1	Gross salary	3,569,175	3,569,175
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	others, specify...	-	-
5	Others, please specify	-	-
	Total	3,569,175	3,569,175

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE: RAIPUR (C. G.)
DATE: 22.04.2022


(ANKIT ANAND)
CHAIRMAN
DIN: 07415193